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ABSTRACT

Two aspects of student charge assessment are examined: (1) assessing students on a full "per-credit-hour-enrolled" basis, and (2) assessing more advanced students at higher rates. Questionnaires were sent to 39 major public universities believed to assess students in either of these ways. The national office of the National Association of State Universities and Land-Grant Colleges, which annually collects data on student charges, provided from its 1974-75 survey information used to select the institutions to be included in this University of Missouri Survey. Responses from 33 institutions are reported, and statistical tables are provided. Eight universities assess undergraduate charges on a per-credit basis and two additional universities assess graduate student charges on a pre-credit basis, while charging undergraduates by a traditional flat-rate scheme. Overall, 22 of the 33 sample universities (or over 25 percent of the survey population) charge graduate students at a higher rate than undergraduates. Four of these 22 make an additional differentiation between lower division (freshman-sophomore) and upper division students. Six additional universities assess graduate student charges at lower rates than undergraduate student charges. Evaluative comments from the universities are included. (LBH)

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DIFFERENTIAL BY LEVEL AND PER CREDIT STUDENT CHARGES IN MAJOR PUBLIC UNIVERSITIES 1974 - 75

November 1974

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DIFFERENTIAL BY LEVEL AND PER CREDIT STUDENT CHARGES

IN MAJOR PUBLIC UNIVERSITIES

1974 - 75

The traditional and predominate basis for assessing student tuition and fees at public colleges and universities involves a standard rate for all students who enroll for some minimum number of credit hours with graduated rates for students enrolling for smaller credit hour loads, but no increase in rate for students enrolling for more than the minimum number of credit hours and no differentiation by student level.

For example, at the University of Missouri the standard charge for Missouri residents for a semester is $290.00 ($270.00 "incidental fee" plus $20.00 "student activity fee"[1]) for students enrolling for nine or more credit hours. Students enrolling for fewer than nine credit hours are assessed at a standard rate ($31.00 "incidental fee" plus $2.00 "activity fee") per credit hour.

Non-resident student charges, which are in addition to resident charges, are generally assessed in a similar manner. Non-resident tuition at the University of Missouri is $540 per semester for students enrolling for 10 or more credit hours and is less for students enrolled for fewer credit hours. Non-resident students enrolled for six or less credit hours are exempt from the non-resident charges.

In recent years as it has become necessary for public colleges and universities to increase charges to students, and as attention has focused on costs of education, typically costs per student credit hour, several colleges and universities have modified their student charge schedules in the directions of (1) assessing students on a full "per-credit-hour-enrolled" basis, and/or (2) assessing more advanced students at higher rates.

In order to learn something of current practices with regard to these two aspects of student charge assessment, a survey of selected major public universities was carried out. The findings are summarized below.

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[1]The "activity fee" varies by campus; the $20 amount is representative.

METHOD AND SAMPLE

Questionnaires were sent to 39 major public universities believed (1) to assess charges on a per-credit-hour basis, or (2) to differentiate rates by level. Specifically, the national office of National Association of State Universities and Land-Grant Colleges (NASULGC), which annually collects data for and publishes a report "Student Charges at State and Land-Grant Universities," provided from its 1974-75 survey information that was used to select the institutions to be included in this University of Missouri survey. Thus, the 39 institutions constitute a sample of the 114 respondents to the 1974-75 NASULGC survey. The "population" of the UM survey was, however, further limited by (1) excluding from consideration approximately 20 small or special purpose NASULGC colleges or universities and (2) by including only one campus for each of several multi-campus universities which otherwise qualified for inclusion. The latter limitation reduced the "population" number by approximately 15.

There were no responses from four universities (two which evidently assess on the per-credit basis and two which evidently assess graduate students slightly less than undergraduates). Responses from two revealed that their student charge schedules included neither the per-credit nor the differential-by-level component. With these six universities eliminated, the sample analyzed includes 33 institutions, which either assess student charges on a per credit basis or differentiate charges by level. The population from which this sample comes includes approximately 80 universities.

DEFINITIONS

It should be helpful to provide definitions of terms used frequently in this report.

Basic Student Charge. The standard tuition or fee assessed all students enrolled in a university on the basis of a formula or schedule which is based upon the number of credit hours for which the student is enrolled. There is considerable variation among

colleges and universities in the terminology applied to the "basic student charge" and in the costs it is intended to help defray. At the University of Missouri the standard student charge includes the "incidental fee" and the "student activity fee." Elsewhere it may include "student tuition" and may or may not include a "student activity" component. At some institutions a distinction between "tuition" and "required fees" is made, and both are included in the standard student charges.

In addition to the basic student charge, non-resident students at public universities are typically assessed at higher rates. The additional amounts may be called basic non-resident charges. Also, students in such professional programs as medicine and dentistry are typically assessed what amount to supplementary charges peculiar to their programs. Beyond these, there are also a wide variety of miscellaneous or special charges which are assessed individual students on the basis of special services they utilize or courses in which they enroll.

Per-Credit-Hour Basis. Basic student charges are assessed on a basis which includes a stated rate for each credit hour for which the student enrolls.

Flat Rate Basis. Basic student charges are assessed at a stated rate for students who are enrolled for some prescribed minimum number of credit hours or more with smaller amounts assessed students carrying fewer than the stated minimum number of credit hours. Often, a per-credit-hour basis is applied to students carrying less than the stated minimum number of credit hours. In a few cases, as will be noted below, there is a stated maximum number of credit hours at which the flat rate applies; beyond the maximum, there is per-credit charge for "excess" credit hours.

RESULTS

Table 1 provides a summary of the numbers of the sample universities using standard student charge schedules with various characteristics. Eight universities assess undergraduate and graduate charges on a per-credit basis and two additional universities

Table 1

Number of Sample Universities by

Type of Student Charge System

Rate Differentiation by Student Level	Charge Per Credit Hour	Traditional Flat Rate Charge	Total
Undergraduate Students:			
- No Differentiation by Level	8	21 [1,2]	29
- Upper Division Rate Higher Than Lower Division Rate	0	4	4
	(8)	(25)	(33)
Graduate Students			
- Graduate Rate Same as Undergraduate (or Upper Division) Rate	4 [1]	1	5
- Graduate Rate Higher Than Undergraduate (or Upper Division) Rate	6 [2]	16	22
- Graduate Rate Lower Than Undergraduate (or Upper Division) Rate	0	6	6
	(10)	(23)	(33)

[1] Includes one university which charges on the "flat rate" basis at the undergraduate level and on the "per-credit" basis at the graduate level.

[2] Includes another university which charges on the "flat rate" basis at the undergraduate level and on the "per credit" basis at the graduate level.

assess graduate student charges on a per-credit basis, while charging undergraduates by a traditional flat rate scheme.

Overall, 22 of the 33 sample universities (or over 25 percent of the survey population) charge graduate students at a higher rate than undergraduates. Four of these 22 make an additional differention between lower division (freshman-sophomore) and upper division (junior-senior) level students, charging the latter at higher rates than the former, but still at lower rates than apply to graduate students. An additional six universities assess graduate student charges at lower rates than undergraduate student charges.

Per-Credit-Hour Basis

The sample universities assessing basic student charges on the per-credit-hour basis and their per-credit rates are shown in Table 2.

The four universities, including Indiana University, which do not differentiate by level appear first in the table.[2] The six universities, including the University of Maryland, which have higher per-credit rates for graduate than for undergraduate students appear next in the table. The undergraduate/graduate differentials range from $1.00 (6%) for Michigan State University to $10.75 (75%) for the South Dakota universities.[3]

Flat Rate Basis

The sample universities assessing basic student charges on a flat rate basis and the rates and applicable minimum credit hour values are shown in Table 3.

The first two universities in the table make no differentiation in the basic rate among levels. Because of differences in the minimum credit hour values for Louisiana State, there is, in effect, a modest differential for at least those students enrolled

[2]The "per-credit" rate for Indiana graduate students, $31.00, is here considered to be equivalent with the "flat rate," $361.00, assessed undergraduate students enrolled for 12-17 credits.

[3]Except note that the true differential for the South Dakota Universities is less than 75% when the additional "fees" are taken into consideration.

Table 2

Sample Universities Assessing

Student Charges on a

Per-Credit Basis

University	Notes	Freshman-Sophomore	Junior-Senior	Graduate
University of Nebraska - Lincoln	S,1	$18.00	$18.00	$18.00
University of Oklahoma	S,2	14.00	14.00	14.00
Oklahoma State University	S,2	14.00	14.00	14.00
Indiana University - Bloomington	S	*	*	31.00
University of Florida	Q,3,4	13.00	13.00	16.50
Florida State University	Q,3,4	13.00	13.00	16.00
Michigan State University	Q	16.00	16.00	17.00
University of South Dakota	S,5	14.25	14.25	25.00
South Dakota State University	S,6	14.25	14.25	25.00
University of Maryland - College Park	S	*	*	47.00

Notes: S - Semester calendar

Q - Quarter calendar; to convert quarter credit rate to semester credit equivalent, multiply by 1.5.

1. Per-credit charges are for "tuition". "Fees" are also assessed at $22.00 for 1-3 credits, $47.00 for 4-6 credits, and $61.50 for 7 or more credits.
2. In addition to the per-credit charge, each student is assessed a fee of $22.00.
3. Rates are differentiated by level of course.
4. In addition to the per-credit charge, there is a $10.00 health service fee.
5. "Fees" are also assessed at $17.50 for 4-8 credits, and $61.00 for 6 or more credits.
6. Students enrolled for 9 or more credits are also assessed a $40.00 "general fee" plus a $24.50 "activity fee".

* See Table 3.

Table 3

Sample Universities Assessing Student Charges on a Flat Rate Basis

(Minimum credit hours shown in parentheses)

University	Notes	Freshman-Sophomore	Junior-Senior	Graduate
Indiana University	S,1	$361.00 (12)	$361.00 (12)	*
Louisiana State University-Baton Rouge	S	160.00 (12)	160.00 (12)	$160.00 (9)
University of California-Berkeley	Q	212.50 (9)	212.50 (9)	232.50 (9)
University of Iowa	S	310.00 (12)	310.00 (12)	355.00 (9)
Iowa State University	Q	200.00 (12)	200.00 (12)	240.00 (9)
University of Kentucky	S	240.00 (12)	240.00 (12)	265.00 (9)
University of Maryland-College Park	S	349.00 (9)	349.00 (9)	*
University of Massachusetts-Amherst	S	275.00 (12)	275.00 (12)	315.50 (10)
University of Minnesota	Q	238.00 (12)	238.00 (12)	296.00 (7)
University of North Dakota	S	233.50 (12)	233.50 (12)	273.50 (10)
Ohio State University	Q	260.00 (7)	260.00 (7)	320.00 (7)
University of Oregon	Q	191.00 (12)	191.00 (12)	283.00 (9)
University of Tennessee-Knoxville	Q	139.00 (12)	139.00 (12)	149.00 (9)
University of Virginia	S	322.00 (12)	322.00 (12)	352.00 (9)
University of Washington	Q	188.00 (7)	188.00 (7)	208.00 (7)
University of Michigan	S	400.00 (10)	452.00 (10)	548.10 (8)
State University of New York-Buffalo	S	371.00 (12)	446.00 (12)	622.00 (12)
University of Wisconsin-Madison	S	286.50 (12)	324.00 (12)	398.00 (8)
Wayne State University	Q,2	259.00 (12)	281.50 (12)	322.50 (12)
University of Connecticut	S	357.50 (12)	357.50 (12)	352.00 (9)
Montana State University	Q,3	166.95 (12)	166.95 (12)	153.25 (12)
University of Nevada-Reno	S	262.00 (7)	262.00 (7)	236.00 (7)
University of New Mexico	S	228.00 (12)	228.00 (12)	225.00 (12)
University of North Carolina-Chapel Hill	S	226.50 (12)	226.50 (12)	224.50 (7)
University of Rhode Island	S	381.50 (12)	381.50 (12)	340.00 (9)

Notes: S-Semester calendar.
Q-Quarter calendar; to convert quarter rates to semester equivalents, multiply by 1.5.

1. Undergraduates are charged an additional $31 for each credit hour in excess of 17.
2. There is an additional per credit charge for credits in excess of 16.
3. Undergraduate and graduate students are charged an additional $7.00 for each credit in excess of 18.

* See Table 2.

for between nine and 11 credit hours. At Indiana University graduate students enrolled for more than 12 credits are, in effect, assessed at a higher rate than undergraduates.

The next 13 universities in Table 3 assess graduate students at a higher flat rate than undergraduates, but do not differentiate between undergraduate levels. The undergraduate/graduate differentials range from $10 (8%) for the University of Tennessee to $92 (48%) for the University of Oregon.

The next four universities in the table apply rates which increase from lower division to upper division to graduate students. The lower division/upper division differential ranges from $22.50 (9%) for Wayne State to $75.00 (20%) at SUNY-Buffalo. The lower division/graduate differentials range from $73.50 (28%) at Wayne State to $251.00 (68%) at SUNY-Buffalo.

The final six universities in Table 3 use lower rates for graduate than for undergraduate students. The differences are generally small, less than $15.00 for four of the six, and may be attributable in at least some of the cases to the presence of components of the undergraduate charges that are not applied to graduate students.

The variation in the minimum credit hour values, at which the flat rates shown in Table 3 are assessed, is worthy of note. In about three-fourths of the universities the minimum credit value for undergraduate students is 12, while for a similar proportion of them the minimum value for graduate students is in the seven to nine range. Only about one-fourth of the universities utilize the same minimum value at the undergraduate and graduate level. The differences noted here are probably attributable to the fact that graduate students typically enroll for fewer credits in a semester or quarter than undergraduate students and the resultant fact that a "full-time" undergraduate is typically considered to be one who enrolls for 12 or more credits and a "full-time" graduate student is one who enrolls for nine or more credits. As already noted in the case of Louisiana State the use of differential minimum credit-hour values has the effect of creating or magnifying an undergraduate/graduate difference in basic charges.

Non-Resident Charges

At each of the sample universities, the basic non-resident charge, assessed non-resident students in addition to the basic student charge, is determined on the per-credit or flat rate basis in the same general manner as used for the basic charge.

However, the pattern of differentials between undergraduate and graduate non-resident charges differs from that for the basic charges. Specifically,

5 universities assess higher graduate than undergraduate non-resident charges,

20 universities assess the same (or nearly the same) graduate and undergraduate charges, and

8 universities assess lower graduate than undergraduate non-resident charges.

One university, Oregon, does not charge graduate students a non-resident fee. All five of the sample universities which assess higher graduate non-resident charges also have higher graduate than undergraduate basic charges. The 20 universities assessing the same graduate non-resident charge and the eight assessing this charge at a lower rate than for undergraduates are scattered among the several groups differentiated above on the basis of graduate/undergraduate differentials in basic charges.

Reasons for Recent Changes

Surveyed universities were asked to indicate whether or not they had recently changed to a per-credit basis or had instituted differential by level charges and to indicate briefly reasons for the change. They were also asked to indicate briefly the present evaluation of the recently adopted system and to identify any problems associated therewith.

Six of the eight sample universities using the per credit charge system had adopted this system within the past 10 years. For four of these institutions (two in Florida and two in South Dakota), the change was evidently initiated by the statewide governing board.

Survey respondents cited the following reasons for changing to the per credit system.

> "The basic reason for going to the per credit hour assessment was to increase the level of income from students." (1973 change)
>
> "To charge based upon service received." (1974 change)
>
> "Greater equity of per credit hour system versus the flat rate systems." (1969 change)
>
> "I presume the recommendation was based upon equitable assessment and related to formula budgeting considering credit hour generation, FTE's etc." (1965 change)

Evaluative comments on the per credit systems were the following:

> "Changing to the current tuition and fee assessment has not changed the level of enrollment, but has increased the workload of the Bursar's Office. The number of refunds and additional assessments for Drops and Adds has increased considerably." (1973 change)
>
> "Easily understood and billed. Some problems result from students not understanding complicated refund policy based upon two-week segments: 80% refund first and second week (withdrawals or drop); 50% refund third and fourth week; 25% refund fifth and sixth week." (1948 change)
>
> "Enrollment of 28,000 produced 6,000 owing, $4,800 refunds as the result of Drop/Add. Transactions up 40 percent." (1974 change)
>
> "System has met with little objection, once the initial shock of relative deprivation passed. Its primary disadvantage is that it makes the task of estimating fee revenue more difficult." (1969 change)
>
> "We are beginning to seriously question the policy. Administrative cost of processing alone is very costly. Discourages students from taking higher loads. Causes annual hassle over fee justification. Cost per hour by student level doesn't distinguish between various actual costs by level or program." (1965 change)
>
> "Obviously, student assessment is administratively burdensome, largely due to adjustments for added and dropped courses. From an educational philosophy standpoint, students are not inclined to broaden course selection due to cost." (1965 change)

In addition to those using the per credit system, six universities indicated a recent change, all since 1971, to differential charge by student level. The following comments on reasons for such changes were provided:

"Differential rates have developed over the years reflecting, to a degree, differing instructional costs."

"A recognition of the higher cost of those programs (graduate, medicine, and law), and a belief that with the financial aid available, the students could bear the higher charges."

"Mandated by the Legislature as part of state budget balancing process; the Legislature was and is aware of higher costs at the graduate level. While this difference ($20 per quarter) does not represent an explicit cost based fee policy, it does reflect a general feeling that graduate students should be paying more."

"--The first two years of college are becoming more universal;
--The educational costs increase as the student progresses to higher levels of study;
--The student potentially gains more personally and in terms of economic independence as he moves up the academic ladder." (from a news release explaining the change to differential fees and an increase in fees)

"Based primarily on: a. Recognition of differential costs by level, b. Concern about increasing fees for entering students very much, as we already were higher than other state institutions."

"...the statutory mandate that a tri-level fee/tuition schedule be established..." (from a staff paper dealing with a change from differentiating undergraduate and graduate charges to differentiating lower division, upper division, and graduate charges. The rates were based upon cost calculations.)

"a. Junior and Senior programs are almost 2/3 again more expensive than Freshman and Sophomore programs.
b. Masters programs are more than 3 times as costly as lower division programs.
c. On the average, professional degrees are more than four times as expensive as lower division.
d. Doctoral studies are eight times more costly than lower division." (from a board of control committee report justifying a tuition increase and change to rates differentiated by levels.)

The following evaluative comments on differential by level charge systems were provided:

"Probably too recent to make a valid assessment, but generally satisfied."

"The differential fee for graduate (and Law) students had had no significant impact on enrollments, etc."

"Two problems that the lower and upper level undergraduate classifications have caused are:
1. Timely evaluation of transfer credit to insure a correct level determination.
2. Mistakes students make in indicating the correct level when applying for the State Scholarship aid.

By dividing undergraduate charges into two levels, upper and lower, it has added 6 additional tuition schedules (Matriculated In-State Full and Part-Time and Out-Of-State Full and Part-Time; Non-Matriculated--charged at per hour rate for whatever hours taken -- In-State and Out-Of-State), bring the number of different tuition and fee schedules to 46."

"No real problems in administering the systems."

One university now using a "tri-level" differentiated system now seeks to return to a "bi-level" fee and tuition structure.

"Since the differential charge system is being implemented for the first time this quarter, we presently have little insight as to its effects. Although tuition rates have increased substantially for all students this year, preliminary figures show that our enrollments are up slightly."